# BANYAN GOLD CORP.

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED MARCH 31, 2015

### Background

This discussion and analysis of financial position and results of operations is prepared as at May 29$^{th}$, 2015 and should be read in conjunction with the interim financial statements and the accompanying notes for the quarter ended March 31, 2015 for Banyan Gold Corp. (the "Company"). The financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars.

This MD&A contains "forward-looking statements" that are subject to risk factors set out in the cautionary statement below. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and at www.banyangold.com.

### Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this MD&A, including statements or information that contain terminology such as "probable", "proposed", "anticipated", "may", and similar expressions constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, that address activities, events, or developments that we or a third party expect or anticipate will or may occur in the future, including our future growth, results of operations, performance and business prospects and opportunities are forward-looking statements. These forward-looking statements reflect our current beliefs and are based on information currently available to us. These statements require us to make assumptions we believe are reasonable and are subject to inherent risks and uncertainties. Actual results and developments may differ materially from the results and developments discussed in the forward-looking statements as certain of these risks and uncertainties are beyond our control.

Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Banyan. These forward-looking statements are made as of the date of this MD&A. Except as required by applicable securities legislation, we assume no obligation to update publicly or revise any forward-looking statements to reflect subsequent information, events, or circumstances.

### Company Overview

The Company was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the Alberta Corporations Act **("ABCA")** on July 26, 2010 under the name Banyan Coast Capital Corp, which was subsequently changed to Banyan Gold Corp under a certificate of amendment on February 14, 2013. On November 24, 2010, the Company became a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan and Ontario.

Banyan Coast Capital Corp. successfully completed its initial public offering raising gross proceeds of $300,000 on January 25, 2011. A total of two million common shares in the capital of the corporation were subscribed for at a price of 15 cents per share.

Banyan commenced trading on January 27, 2011 on the TSX Venture Exchange and trades under the symbol BYN.

On February 15, 2013, Banyan acquired a 100% interest in the Hyland Gold Property (the “Hyland Property”) in the Watson Lake Mining District of the southeastern Yukon Territory, Canada thru the issuance of 4,000,000 Banyan shares to Argus Metals Corp. This was done in conjunction with a non brokered private placement of 5,000,000 Units at $0.10 per unit to complete the Company’s qualifying Transaction under the rules of the TSX Venture Exchange. A final payment of $100,000 was also made to Victoria Gold.

Banyan will be bound, in respect of the Option Claims and the AMI Claims, by a 2.5% capped net smelter return royalty ("NSR") in favour of Victoria Gold Corp., less existing underlying royalties, with a provisional buyback of 1.5% for $1,000,000. These claims are also subject to a 1% and 0.25% NSR on all core claims payable to Cash Minerals Ltd. and Strategic Metals Ltd., respectively. Additionally, there is a 1% NSR on 88 of the claims payable to Adrian Resources Ltd. that is capped at $1.5 million.

On March 1st, 2013 the Company completed a non brokered private placement of 2,000,000 Units at $0.10 per unit.

On August 23, 2013 the Company made a share-based payment to Victoria Gold Corp. to extinguish the obligation assumed from Argus Metal Corp. The consideration for this transaction comprised of 150,000 shares with a fair market value of $7,500.

On April 22, 2014 Rob Carne was appointed to Banyan's advisory board.

Mr. Carne is a professional geologist with more than 35 years of experience in the Yukon and has been responsible for a vast number of discoveries, including Banyan's Hyland gold project, when he discovered and delineated the initial non-compliant gold resource at the main zone in the late 1980s. Mr. Carne was a principal with Archer, Cathro & Associates (1981) Ltd. from 1981 to 2002. He is currently the president and a director for ATAC Resources and co-recipient of the H.H. Spud Huestis award for excellence in prospecting and mineral exploration for the discovery of Carlin-style mineralization at ATAC's Rackla gold project. Additionally, Mr. Carne has authored or co-authored a number of technical papers on Yukon mineral deposits. He has served as a director and officer of numerous public companies on the TSX Venture Exchange since the mid-1980s.

Effective July 1, 2014, Richmond Graham tendered his resignation as President & CEO. Mark Ayranto has been appointed executive chairman until a suitable replacement is appointed.

On March 12, 2015, the Company completed a first tranche non-brokered private placement of $435,000 via way of issuing 8,700,000 Units at $0.05 per Unit. Each unit consists of one common share and one-half of a non-transferable common share purchase warrant, with each full warrant exercisable into one common share of the company at an exercise price of 7.5 cents, for a period of 24 months from the date of issuance subject to an acceleration clause.

The Corporation is engaged in the business of exploration and development of precious metals. The Corporation owns a 100% interest in the Hyland Gold Property (“Property”) in the Yukon Territory. The Property contains a Main Zone NI 43-101 Compliant Resource of 361,692 oz gold (12,503,994 tonnes of 0.90 g/t Au) and 2,248,948 oz silver (12,503,994 tonnes of 5.59 g/t Ag).

**Selected Financial Information**

The following selected financial information is derived from the audited financial statements of the Company prepared in accordance with International Financial Reporting Standards ("IFRS").

**Fiscal Quarters of the Fiscal Year Ended September 30, 2015**

| **All in $ Cdn** | **First Quarter** | **Second Quarter** | **Third Quarter** | **Fourth Quarter** |
|---|---|---|---|---|
| **Operations:** | | | | |
| Revenues | $ - | $ - | | |
| Expenses | 30,656 | 52,727 | | |
| Comprehensive Loss | (30,656) | (52,727) | | |
| Loss per share – basic & fully diluted | (0.00) | (0.00) | | |
| Balance Sheet: | | | | |
| Working Capital | 57,190 | 443,996 | | |
| Total Assets | 767,330 | 1,201,496 | | |
| Total Long term liabilities | Nil | Nil | | |

**Fiscal Quarters of the Fiscal Year Ended September 30, 2014**

| **All in $ Cdn** | **First Quarter** | **Second Quarter** | **Third Quarter** | **Fourth Quarter** |
|---|---|---|---|---|
| **Operations:** | | | | |
| Revenues | $ - | $ - | $ - | $ - |
| Expenses | 64,649 | 106,908 | 55,020 | 57,385 |
| Comprehensive Loss | (64,649) | (106,908) | (55,020) | (57,385) |
| Loss per share – basic & fully diluted | (0.00) | (0.01) | (0.00) | (0.01) |
| Balance Sheet: | | | | |
| Working Capital | 275,813 | 233,387 | 181,264 | 62,630 |
| Total Assets | 992,712 | 898,112 | 841,149 | 812,375 |
| Total Long term liabilities | Nil | Nil | Nil | Nil |

**Fiscal Quarters of the Fiscal Year Ended September 30, 2013**

| **All in $ Cdn** | **First Quarter** | **Second Quarter** | **Third Quarter** | **Fourth Quarter** |
|---|---|---|---|---|
| **Operations:** | | | | |
| Revenues | $ - | $ - | $ - | $ - |
| Expenses | 23,074 | 84,527 | 65,934 | 66,698 |
| Comprehensive Loss | (23,074) | (84,527) | (65,934) | (66,698) |
| Loss per share – basic & fully diluted | (0.01) | (0.01) | 0.00 | (0.01) |
| Balance Sheet: | | | | |
| Working Capital | 146,668 | 610,337 | 538,932 | 342,663 |
| Total Assets | 202,898 | 1,178,711 | 1,145,314 | 1,077,227 |
| Total Long term liabilities | Nil | Nil | Nil | Nil |

## Results of Operations

### Hyland Property

### 2014 Work Program

During the late summer and early fall of 2014, the Corporation completed a YMEP supported sampling and mapping program at the Hyland Gold Property. The program was focused on following up on the encouraging results received from the 2013 Hyland South and Regional Exploration Programs, and included focused soils/rock sampling with coincident geological mapping targeted upon the highly prospective CUZ South and Montrose Ridge Zones. The Montrose Ridge Zone boasts the largest gold-in-soils anomaly ever uncovered on the South Hyland Property, and the CUZ South Zone continues to define and expand gold/arsenic-in-soils anomalies related to the 2011 Cuz Zone Gold Discovery. The 2014 Hyland exploration program has now filled in soils coverage to link the Cuz South and Montrose Ridge Zones.

In total, Banyan collected and shipped 491 samples (452 soils and 39 rocks) from the 2014 Hyland South geochemical soils grid program. Results from the program are summarized below.

- Au soils results ranged from trace to 0.120 g/t Au (120ppb Au) with a mean of 0.007 g/t Au (7ppb Au)
- As soils results ranged from trace to 561 ppm As with a mean of 54 ppm As

These results indicate a broad (500m by 1000m) east-west trending gold-in-soils anomaly (>20ppb Au) focused around the Montrose Ridge Zone. Additionally, a parallel soils anomaly (As +/- Au) is located near the CUZ South anomaly, and together these 2 anomalies define a >2km long cohesive arsenic-in-soils NE trending anomaly. The Montrose Ridge and CUZ Extension grid anomalies remain open, particularly to the east and north.

The 2014 rock sampling program was designed to complement the soil sampling program by collecting type rock samples from the soil grid and returned subtle Au and Ag results to significant As results (one sample returned 3,048ppm As).

The Hyland Project Regional potential has begun to be tested by the last 2 season's soil sampling program. As (+/- Au) in soils have proven to be reliable indictors of potentially mineralized corridors and establishing vectors thereon. Results to date warrant detailed follow-up exploration including access construction and targeted trenching of the CUZ South and Montrose Ridge zones.

All 2014 samples were sent to the AGAT Labs preparation facility in Whitehorse samples were sorted and crushed to appropriate particle size (pulp) and representatively split to a smaller size shipped to AGAT's Burnaby analysis facility. Assays were performed at the Vancouver, British Columbia facility of AGAT, an ISO 9001:2008 certified, independent laboratory, utilizing a 201-272 50 element ICP/MS Finish analytical package with 30 g Fire Assay for gold on all samples.

The Montrose Ridge Zone was discovered in 2013 through a detailed soils/rock sampling program on the South Hyland Property, 6.5km south of the Hyland Main Zone (which hosts a NI 43-101 Inferred Resource of 396,000 gold equivalent ounces). Importantly, the Montrose Ridge Zone lies along the identified >12 km long Quartz Lake Lineament which is interpreted to control significant mineralization identified on the Hyland Project, and fits with the Company's regional structurally controlled mineralization model for the Hyland Project and Hyland District.

The Hyland Gold Property information reported above has been reviewed and approved by Paul D. Gray, B.Sc., P.Geo., Vice President Exploration for Banyan Gold, the Qualified Person as defined by NI 43-101.

**Analysis of Hyland Expenditures:**

| | | |
|---|---|---|
| Balance, September 30, 2013 | $ | 683,868 |
| Government grant for work completed - F2013 | | (35,000) |
| Exploration and evaluation expenses capitalized | | 65,308 |
| Balance, September 30, 2014 | $ | 714,176 |
| | | |
| Government grant for work completed - F2014 | $ | (47,965) |
| Exploration and evaluation expenses capitalized | | 65,541 |
| Balance, March 31, 2015 | $ | 731,752 |

During the quarter ended March 31, 2015, the Company recorded a net loss of $(52,727), vs a loss of $(106,908) for the quarter ended March 31, 2014. The reduced current quarter loss is the result of the Company containing costs during the period. Specifically, the Company reduced management fees ($10.5K in 2015 vs $31.5K in 2014) and G&A ($11.0K 2015 vs $25.9K 2014) as well as not having a stock based compensation expense for stock options ($ Nil in 2015 vs $29.4K in 2014). This was partially offset by a rise in Professional fees from $11.5K in 2014 to $23.1K in 2015.

**Additional Disclosure for Venture Issuers without Significant Revenue**

Since the Corporation has no revenue from operations, the following is a breakdown of general and admin expenses and material costs incurred in the last two comparative periods:

| General & Admin & Material Costs | Quarter Ended March 31, 2015 | Quarter Ended March 31, 2014 |
|---|---|---|
| **General & Admin:** | | |
| Travel | 3,872 | 11,606 |
| Promotion | 3,070 | 5,016 |
| Transfer Agent Fees | 2,350 | 2,022 |
| Office Supplies | 458 | 619 |
| Telephone | 416 | 573 |
| Storage | 330 | 282 |
| Interest & Bank Charges | 242 | 28 |
| Courier & Postage | 240 | 202 |
| Bad Debt | 0 | 4,028 |
| Profession Dues | 0 | 1,515 |
| | | |
| **Other Material Costs:** | | |
| | | |
| | | |
| Professional Services | 23,094 | 11,474 |
| Management Fees | 10,500 | 31,500 |
| Filing Fees | 8,167 | 8,405 |

## Liquidity and Capital Resources

The accompanying interim financial statements are presented on a going concern basis, which assumes the Company will continue to realize its assets and discharge its liabilities in the normal course of operations.

The Company does not generate cash flows from operations and has therefore relied principally on the issuance of equity securities to finance its operation activities to the extent that such instruments are issuable under terms acceptable to the Company.

If future financing is unavailable, the Company may not be able to meet its ongoing obligations, in which case the realizable values of its assets may decline materially from current estimates. The financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations.

From inception to March 31, 2015, the Company raised gross proceeds of $1,535,050 from the sale of its common shares.

As at March 31, 2015, the Company had working capital of $443,996 (2014 - $233,387) which should be sufficient to fund the company thru the next fiscal year. The Company has no contractual obligations and the recent Hyland work program will maintain the Company's interest in good standing beyond the September 30, 2015 fiscal year.

## Off-Balance Sheet Arrangements

None

## Proposed Transactions

See Subsequent Event Below

## Transactions With Related Parties

During the quarter, $21,000 (2013 - $42,000) was expensed to the corporation by the CFO and VP Exploration of the Company based on month to month agreements.

$10,500 (2014 - $31,500) has been billed to management fees by 1195472 Ontario Ltd. for the CFO and $10,500 (2013 - $10,500) to professional fees by Paul D Gray Geological Consulting by the VP Exploration.

## Critical Judgments and Accounting Estimates

These financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared on a historical costs basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could results in a material adjustment to the carry amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of receivables which are included in the statements of financial position;
- the inputs used in accounting for stock-based compensation expense, which are included in the statement of operations;
- recoverability of future income tax asset;
- recoverability of exploration and evaluation expense asset;
- the valuation of the rehabilitation provision; and
- the valuation of share-based payments transactions.

**Foreign Exchange**

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expense are translated at the exchange approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the consolidated statements of operations.

**Cash and cash equivalents**

Cash and cash equivalents are comprised of cash on deposit and highly liquid short-term interest bearing variable rate investments with an original maturity of three months or less, which are readily convertible into a known amount of cash.

**Financial instruments**

***Financial assets***

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

- Fair value through profit or loss - this category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. These assets are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations.

- Loans and receivables - these assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

- Held-to-maturity investments - these assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of operations.

- Available-for-sale - non-derivative financial assets not included in the above categories are classified as available-for-sale. These assets are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the consolidated statement of operations. All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

***Financial liabilities***

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - this category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. These liabilities are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations.

Other financial liabilities include amounts due to related parties and accounts payables and accrued liabilities. This category is measured in the statement of financial position at amortized cost using the effective interest method.

The Company has classified its cash and cash equivalents as fair value through profit and loss. The Company’s receivables are classified as loans and receivables.

**Impairment**

At the end of each reporting period, the Company’s assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

**Interest income**

Interest income is recognized as it accrues in the statement of income, using the effective interest method.

**Loss per share**

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive

**Share-based payments**

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

**Income Taxes**

The income tax expense or benefit for the period consists of two components: current and deferred. Income tax expense is recognized in the statements of comprehensive loss except to the extent it relates to an item recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the reporting date in each of the jurisdictions and includes any adjustments for taxes payable or recovery in respect of prior periods.

Deferred tax is recognized using the liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. However, the deferred tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**Mineral exploration and evaluation expenditures**

Costs that are directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such cost as: materials used, surveying costs, geological costs, drilling costs, travel to and from the site, and payments made to contractors. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead, are expensed in the year in which they occur.

**Rehabilitation provision**

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of restoration obligation in the year in which the obligation is incurred. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration properties. The discounted liability is increased for the changes in present value based on current market discount rates and liabilities specific risks.

**Segment reporting**

The Company determined that it only had one operating segment.

**New Standards and Interpretations**

The following new standards were adopted during the year by the Company:

*i) IFRS 10 Consolidated Financial Statements*

IFRS 10 will replace portions of IAS 27 *Consolidated and Separate Financial Statements* and interpretation SIC-12 *Consolidation – Special Purpose Entities*. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess.

*ii) IFRS 11 Joint Arrangements*

IFRS 11 applies when accounting for interests in joint arrangements where there is joint control. Joint arrangements would be classified as either joint operations or joint ventures. The structure of the joint arrangement would no longer be the most significant factor when classifying the joint arrangement as either a joint operation or a joint venture. The option to account for joint ventures (previously called jointly controlled entities) using proportionate consolidation would be removed and equity accounting would be required. Ventures would transition the accounting for joint ventures from the proportionate consolidation method to the equity method by aggregating the carrying values of the proportionately consolidated assets and liabilities into a single line item.

**Future Accounting Policies**

The following new standard has been issued but is not yet applicable to the Company:

*i) IFRS 9 Financial Instruments*

As part of the project to replace IAS 39 *Financial Instruments: Recognition and Measurement*, this standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets. More specifically, the standard:

- Deals with classification and measurement of financial assets;
- Establishes two primary measurement categories for financial assets: amortized cost and fair value;
- Prescribes that classification depends on entity’s business model and the contractual cash flow characteristics of the financial asset;
- Eliminates the existing categories: held to maturity, available for sale, and loans and receivables.

Certain changes were also made regarding the fair value option for financial liabilities and accounting for certain derivatives linked to unquoted equity instruments.

This standard is effective for annual periods beginning on or after January 1, 2015. The Company will adopt this standard when it becomes effective. The Company has currently not assessed the impact of adopting this standard.

*ii) IFRS 15 Revenue from Contracts with Customers*

IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

This standard is effective for annual periods beginning on or after January 1, 2017. The Company will adopt this standard when it becomes effective. The Company has currently not assessed the impact of adopting this standard.

**Risks and Uncertainties**

The Company's financial performance is likely to be subject to the following risks:

The Issuer is a relatively new company with limited operating history and no history of business or mining operations, revenue generation or production history. The Issuer was incorporated on July 26, 2010 and has yet to generate a profit from its activities. The Issuer will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Issuer anticipates that it may take several years to achieve positive cash flow from operations.

***Exploration, Development and Operating Risks***

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in the Issuer's resource base.

The Issuer's operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Issuer.

***Substantial Capital Requirements and Liquidity***

Substantial additional funds for the establishment of the Issuer's current and planned exploration program and potential mining operations will be required. No assurances can be given that the Issuer will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations, mineral prices, environmental rehabilitation or restitution. Revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such finding requirements, the Issuer may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Issuer or at all. If the Resulting Issuer is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, and pursue only those development plans that can be funded through cash flows generated from its existing operations.

***Fluctuating Mineral Prices***

The economics of mineral exploration is affected by many factors beyond the Issuer's control including, commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Property.

***Regulatory Requirements***

The current or future operations of the issuer require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which the Issuer may require for the facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any exploration and development project which the Resulting Issuer might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Issuer and cause increases in capital expenditures or exploration and development costs or require abandonment or delays in the development of new properties.

***Financing Risks and Dilution to Shareholders***

The Issuer has limited financial resources. If the Issuer's exploration programs on the Property are successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Issuer will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which will result in dilution to the Issuer's shareholders.

***Requirement for Permits and Licenses***

A substantial number of additional permits and licenses may be required should the Issuer proceed beyond exploration; such licenses and permits may be difficult to obtain and may be subject to changes in regulations and in various operational circumstances. It is uncertain whether the Issuer will be able to obtain all such licenses and permits.

***Competition***

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Issuer will compete with other mining companies, many of which have greater financial, technical and other resources than the Issuer, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

### *Reliance on Management and Dependence on Key Personnel*

The success of the Issuer is currently largely dependent upon on the performance of its directors and officers and the ability to attract and retain its key personnel. The loss of the services of these persons may have a material adverse effect on the Issuer's business and prospects. The Issuer will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Issuer can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Resulting Issuer and its prospects.

### *No Mineral Reserves*

Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period.

### *Environmental Risks*

The Issuer's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

### *Governmental Regulations and Licenses and Permits*

The activities of the Issuer are subject to provincial and federal approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Issuer believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Issuer. Further, the licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Issuer's investments in such projects may decline.

### *Local Resident Concerns*

Apart from ordinary environmental issues, work on, or the development and mining of the Property could be subject to resistance from local residents that could either prevent or delay exploration and development of the Property.

### *Conflicts of Interest*

Certain of the directors and officers of the Issuer will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Issuer may become subject to conflicts of interest. The ABCA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the ABCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the ABCA.

### *Uninsurable Risks*

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Issuer may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Issuer's results of operations and financial condition and could cause a decline in the value of the Issuer Shares. The Issuer does not intend to maintain insurance against environmental risks.

## Investor Relations Activities

The Company does not have any investor relations arrangements.

## Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value.

### *Summary*

As at March 31, 2015, there are:

23,184,000 issued and outstanding common shares
1,075,050 stock options
4,350,000 warrants

### *Stock & Warrant Transactions*

On March 12, 2015, the Company completed a non-brokered private placement for $435,000 by issuing 8,700,000 Units at a price of $0.05 per unit, Each unit consists of one common share (8,700,000 in total) and one-half of a non-transferable common share purchase warrant (4,350,000 in total), with each full warrant exercisable into one common share of the company at an exercise price of 7.5 cents for a period of 24 months from the date of issuance.

The warrants, which form part of the units, may have their expiry time accelerated at any time prior to the expiry of the warrants if the volume-weighted average trading price of the corporation's shares on the TSX Venture Exchange is greater than 12 cents for 15 consecutive trading days, at which time the corporation may give notice in writing to the warrant holders within 10 days of such an occurrence that the warrants shall expire on the 30th day following the giving of such notice. A total share issuance costs incurred equaled $226,142, of which $222,826 was assigned to the value of the share purchase warrants based on the Black Scholes pricing model.

There were no share transactions during the prior period March 31, 2014.

***Stock Option Transactions***

At March 31, 2015, the following incentive stock options were outstanding to directors, officers and advisors:

- 250,050 stock options exercisable at $0.15 with an expiry of January 25, 2021
- 750,000 stock options exercisable at $0.05 with an expiry of January 31, 2019
- 75,000 stock options exercisable at $0.05 with an expiry of April 22, 2019

No stock options were granted during the three and six month period ended March 31, 2015.

During the quarter ended March 31, 2014, the Company granted stock options to its directors and officers to purchase 750,000 common shares, at an exercise price of $0.05 per share, exercisable on or before January 31, 2019.

**Subsequent Event**

On April 8, 2015 the Company announced that they have received TSX Venture Exchange approval for the second tranche of it's non-brokered private placement for 1.2 million Units. Each unit consists of one common share and one-half of a non-transferable common share purchase warrant, with each full warrant exercisable into one common share of the company at an exercise price of 7.5 cents, exercisable for a period of 24 months from the date of issuance. The warrants, which form part of the units, may have their expiry time accelerated at any time prior to the expiry of the warrants if the volume-weighted average trading price of the corporation's shares on the TSX Venture Exchange is greater than 12 cents for 15 consecutive trading days, at which time the corporation may give notice in writing to the warrant holders within 10 days of such an occurrence that the warrants shall expire on the 30th day following the giving of such notice. No finders fee was payable.

The funds raised will be used for Banyan's Hyland gold project and for general and administrative costs.